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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91210813
Party	Plaintiff SATA GmbH & Co. KG
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TRADEMARK TRIAL AND APPEAL BOARD

SATA GmbH & Co. KG,	)	
	)	
	)	
Opposer and Petitioner,	)	
	)	Consolidated
v.	)	Opposition No. 91210813
	)	
Mike Ghorbani,	)	Opposition No. 91217915
	)	
Applicant and Registrant.	)	Cancellation No. 92059849
_____	)	

OPPOSER/PETITIONER SATA GMBH & CO. KG'S TRIAL BRIEF

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## I. INTRODUCTION

Out of the universe of available marks Defendant chose the geographically deceptive and primarily geographically deceptively misdescriptive mark EURO for his Taiwanese manufactured paint spray guns and related equipment. Between language offered from his own website, unsubstantiated claims of German design, and actively seeking “SATA type” copy guns, Defendant has himself demonstrated the crux of this entire case; that his EURO marks, as irrefutably evidenced, have the effect of creating a false, deceptive and misleading association with Europe that, based upon European paint spray equipment’s reputation for high quality, excellence and superior craftsmanship, must be seen as desirable and acknowledged as being material to potential purchasers of paint spray equipment.

Consolidated for purposes of discovery and trial are Opposition proceeding 91210813, challenging the EURO and design mark of SN 85/712,789 and Opposition proceeding 91217915 challenging the MG EURO mark of SN 86/227,768. Also consolidated for purposes of discovery and trial is Cancellation Proceeding 92059849 challenging the registration of the word mark EURO awarded to Mr. Ghorbani through Reg. No. 3,428,295. Both applications and the ‘295 registration are directed to paint spray guns and related equipment in International Class 7.

Each of these three consolidated cases involves an attempt by Applicant/Registrant Mike Ghorbani (“Ghorbani” or “Defendant” herein) to obtain federal trademark registration, and all rights which flow from federal registration, for the mark EURO for use in connection with goods manufactured in Taiwan and advertised and sold to the American market under the EURO designation.

Both Oppositions and the related Cancellation should be sustained. As established below, registration of EURO in connection with the involved goods, both with and without the non-dominant design and non-dominant MG elements depicted in the pending applications, should be



refused and acknowledged as being unregistrable as geographically deceptive and primarily geographically deceptively misdescriptive pursuant to §§ 2(a) and 2(e)(3) of the Trademark Statute.<sup>1</sup> Defendant's '295 registration for the word mark EURO should be cancelled under § 2(a).

## II. DESCRIPTION OF THE RECORD

The record consists of the files of the challenged applications and registration, the pleadings, SATA's Notice of Reliance and Exhibits 1-69 submitted therewith, Ghorbani's Notice of Reliance and, subject to the evidentiary objections set forth in the Appendix submitted herewith, Ghorbani's Exhibits 1-33, as well as SATA's Rebuttal Notice of Reliance and related Exhibits R. Ex. 1-5.<sup>2</sup>

Pursuant to a Stipulation entered by the Board on November 19, 2015 the parties have agreed that documents produced by them during discovery pursuant to Fed. R. Civ. P. 34 are to be deemed genuine and authentic and that such may be made of record.

## III. STATEMENT OF THE ISSUES

Whether, under the facts of these cases, registration of Defendant's EURO marks for non-European manufactured paint spray guns and equipment should be cancelled and refused as geographically deceptive and primarily geographically deceptively misdescriptive pursuant to Sections 2(a) and 2(e)(3) of the Lanham Act, 15 U.S.C. § 1052(a), (e)(3); where (1) the primary

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<sup>1</sup>As all three cases have proceeded to date as consolidated, recite substantially the same goods, and involve EURO and EURO dominant marks, it is believed appropriate that the Board follow what appears to be its usual practice in issuing a single decision. See, for instance *Orange Bang, Inc. v. Olé Mexican Foods, Inc.*, 116 USPQ2d 1102 (TTAB 2015); *Jeanne-Marc, Inc. v. Cluett, Peabody & Co., Inc.*, 221 USPQ 58 (TTAB 1984).

<sup>2</sup>Plaintiff SATA's exhibits, as identified in its Notice of Reliance, are referred to throughout this brief using the prefix "Ex." Exhibits identified and submitted along with SATA's Rebuttal Notice of Reliance are referred to with the prefix "R. Ex." Defendant Ghorbani's exhibits are referred to herein using the prefix "D. Ex."

significance of Defendant's EURO marks is "Europe, European"; (2) Defendant's goods are admittedly manufactured in Taiwan and not Europe; (3) the consuming public is likely to believe that Defendant's Taiwanese goods originate from Europe; and (4) it is likely that the misrepresentation of Defendant's Taiwanese goods as European, given the geographic meaning and significance of the mark EURO and the exalted reputation of European paint spray guns, is a material factor in the purchasing decision of a significant portion of relevant consumers.

#### IV. THE APPLICABLE LAW

A four element test is applied to determine whether a mark is geographically deceptive and primarily geographically deceptively misdescriptive of particular goods, thus rendering the mark unregistrable under §§ 2(a) and 2(e)(3). Specifically, registration must be refused upon a finding that: (1) the primary significance of the mark is a generally known geographic location, (2) the goods or services do not originate in the place identified in the mark, (3) purchasers would be likely to believe that the goods or services originate in the geographic place identified in the mark, and (4) the geographic misrepresentation can reasonably be expected to be a material factor in consumer's decisions to buy the goods or use the services. *In re California Innovations Inc.*, 66 USPQ2d 1853, 1858 (Fed. Cir. 2003). (Combining factors two and three).

The relevant inquiry must address whether there is "a reasonable predicate that a substantial portion of relevant consumers would understand" the meaning of the mark to refer to that geographical location. *In re Jonathan Drew*, 97 USPQ2d 1640, 1646 (TTAB 2011); See also *In re Spirits Int'l, N.V.*, 90 USPQ2d 1489, 1495 (Fed. Cir. 2009). After the primary significance of the mark is established as a geographic location (element 1) from which the goods in question do not originate (element 2), the third element must be addressed, namely whether "the consuming public is *likely to believe* the place identified by the mark indicates the

origin of the goods bearing the mark.” *In re California Innovations Inc.*, 66 USPQ2d 1853, 1858 (Fed. Cir. 2003). (Emphasis added).

It is recognized that “In a case involving goods, the goods-place association often requires little more than a showing that the consumer identifies the place as a known source of the product.” *In re Les Halles de Paris J.V.*, 67 USPQ2d 1539, 1541 (Fed. Cir. 2003). It is also recognized that an Opposer has a “relatively easy burden of showing a naked goods-place association.” *In re California Innovations Inc.*, 66 USPQ2d 1853, 1857 (Fed. Cir. 2003). *See also, Id. at 1855* (burden is to “establish that there is a reasonable predicate for its conclusion that the public would be likely to make the particular goods/place association on which it relies...The issue is not the fame or exclusivity of the place name, but the likelihood that a particular place will be associated with particular goods.”). (Quoting *In re Loew’s Theatres, Inc.*, 226 USPQ 865, 868 (Fed. Cir. 1985). *See also, In re Jonathan Drew*, 97 USPQ2d 1640, 1644 (TTAB 2011) (acknowledging “relatively easy burden” standard from *California Innovations*. Additionally, “to make a goods-place association, the case law permits an inference that the consumer associates the product with the geographic location in the mark because that place is known for producing the product.” *In re Les Halles de Paris J.V.*, 67 USPQ2d 1539, 1541 (Fed. Cir. 2003). Finally, *see In re Hiromichi Wada*, 52 USPQ2d 1539, 1541 (Fed. Cir. 1999) stating, in recognition of the public’s interest in not being deceived, that it is (“likely that the public, upon encountering goods bearing the mark NEW YORK WAYS GALLERY, would believe that the goods have some connection to New York.”)

With respect to the final element, specifically the requirement of materiality, to establish a prima facie case of materiality there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product or

service by the geographic meaning of the mark. *In re Spirits Int'l, N.V.*, 90 USPQ2d 1489 (Fed. Cir. 2009). In determining materiality, the Board looks to evidence regarding the probable reaction of purchasers to a particular geographic term when it is used in connection with the goods. *In re Compania de Licores Internacionales S.A.*, 102 USPQ2d 1841 (TTAB 2012) (citing *In re Reed Elsevier Properties Inc.*, 82 USPQ2d 1378, 1381 (Fed. Cir. 2007) the Board adding that third party websites are competent sources to show what the relevant public would understand a term to mean). What the relevant public understands a term to mean may be “inferred from indirect or circumstantial evidence, such as...third party websites.” *In re Jonathan Drew*, 97 USPQ2d 1640, 1645-1646 (TTAB 2011). Inferences of materiality may be drawn from the evidence, serving as proof that a substantial portion of the relevant public will be deceived. *Id.*

Germane to the cancellation of the ‘295 registration is the fact that the mere passage of five years does not immunize a registration from cancellation under § 2(a). *K-Swiss, Inc. v. Swiss Army Brands, Inc.*, 58 USPQ2d 1540, 1542 (TTAB 2001). To the contrary, a geographically deceptive mark is subject to cancellation at any time upon a showing that the mark was geographically deceptive at the time of its registration or that the registrant has, subsequent to the issuance of the registration, undertaken activities such as “using its mark so as to misrepresent the source of the goods.” In such instances, the “registration can be cancelled because the registrant has, in effect, participated in its destruction.” *K-Swiss, Id.* at 1542.

## V. RELEVANT FACTS

### A. The Parties

#### 1. SATA

The superb design, manufacture, and performance of its paint spray guns and related products has earned SATA, a German concern, a stellar reputation within the paint spray gun industry, including those in the U.S. who purchase and use such goods. SATA's spray gun equipment, having been shipped to the U.S. from Europe, is sold in the U.S. through SATA's U.S. distributor (Ex. 18), who in turn makes these original SATA products available to a variety of resellers. Resellers then make SATA's paint spray guns and related equipment available to American consumers, being purchasers and/or users of these goods. (D. Ex. 4 Int. 10). SATA's goods are advertised to American consumers through many means, including advertisements, trade shows, direct mailing and websites. (Ex. 3 Int. 35, Ex. 8, D. Ex. 29).

Third party accolades have long well demonstrated the enviable reputation enjoyed by SATA worldwide, including the U.S. Such are discussed below (Section V.B.2.) as a portion of the showing evidencing the enviable and long-standing excellent reputation of European spray gun equipment generally, and in the U.S. specifically.

In response to a Request for Admission (Ex. 5), even Defendant acknowledged that SATA is a leading player in the spray gun industry. He was hardly in a position to argue otherwise. In fact, until it was removed at SATA's insistence, Ghorbani's mgdistributor.com website, in conjunction with its offering for sale of EURO guns, extolled the virtues of SATA and its products, asserting, "One brand in the market which dominates in the manufacturing of HVLP spray guns and that is SATA." After very favorably describing the performance of SATA spray guns it was acknowledged that the SATA product referred to "also guarantees the high, well-known SATA quality." Despite not offering SATA equipment but instead EURO SATA-

copy equipment for sale at his website, Ghorbani's website advised, "So, if you want to have an affordable and quality HVLP spray gun, make sure it's SATA." (Ex. 14).<sup>3</sup>

Ghorbani has paid further tribute to SATA and the reputation of its goods by emphasizing to potential distributors (who would, in turn, look to pass Ghorbani's EURO guns on to the American public), that the EURO guns look like the SATA guns and that it is important to note the claim (which, as discussed below, was made completely without support) that the EURO guns were "designed in Germany." (Exs. 9, 57, 59, 61). These efforts may actually have been successful. At least one potential distributor indicated that he liked the fact that the EURO guns resemble the SATA guns. (Ex. 60).

Finally, although riddled with infirmities, as discussed in detail below in Section VI.D.1, even Ghorbani's alleged expert witness acknowledges that SATA is an industry leader. (R. Ex. 3 Int. 7). He also acknowledges that SATA paint spray guns are amongst those most commonly copied. (R. Ex. 3 Int. 6).

## **2. Mike Ghorbani**

### **a. Defendant, His Business And The Selection Of The EURO Mark**

Mr. Ghorbani, a U.S. citizen, is the owner of MG Distributor (Ex. 1 Int. 14), a U.S. company, through which he imports into the U.S. market for sale and distribution Taiwanese manufactured paint spray guns and related equipment. (Ex. 1 Int. 6). The manufacturer of EURO guns is located in Taiwan. (Ex. 3 Int. 30). Ghorbani's EURO products are manufactured in Taiwan. (Ex. 1 Int. 17). Those products are subsequently shipped to the U.S. from Taiwan.

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<sup>3</sup> Ghorbani has never sold SATA goods. Instead, he used this language lauding SATA and its products in connection with his promotion of EURO SATA copy goods. As noted throughout this brief, it is SATA's goods that originate in Europe while Ghorbani's EURO goods are imported from Taiwan.

(Ex. 28). As is the case with SATA, Ghorbani's EURO goods are provided to distributors and resellers who in turn make those goods available to American consumers, being purchasers and/or users of those goods. (Ex. 60). Like SATA goods, Ghorbani's goods are both advertised and made available to American consumers through ads, trade shows, direct mailings, and websites. (Ex. 1 Ints. 6, 21). Of course, while exposed to advertising and goods employing and emphasizing the EURO mark, American consumers and users are actually being offered Taiwanese goods by Ghorbani and his network of distributors.

Mr. Ghorbani is the individual responsible for the decision to advertise and offer these Taiwanese goods to the American market under the EURO mark (Ex. 1 Int. 1, Ex. 3 Int. 40) and the decision to represent, both on the guns and in direct advertisements to potential purchasers, that his goods are designed in Germany. (Ex. 3 Int. 55).

In his Answers to both Notices of Opposition and the Petition to Cancel (Paragraph 4 of each Answer), Ghorbani appears to have denied that SATA is a competitor. The facts tell a different story. For instance, receipts from the organizers of trade shows reveal Ghorbani's specific identification of SATA as a competitor. (See, for example, Ex. 8). Ghorbani's sworn interrogatory answers confirm his attendance at some of the same trade shows as those attended by SATA, and reflect his wish to be located by show organizers at a location remote from SATA's. (Ex. 3 Int. 35). At other points in discovery Ghorbani acknowledged sending information about SATA products to his manufacturer in Taiwan (Ex. 3 Int. 61); acknowledged that the MG Distributor website contained text about SATA paint spray guns (Ex. 1 Int. 18); and acknowledged having run advertising comparing his paint spray guns to those of SATA. (Ex. 3 Int. 37). Clearly, Defendant's actions must be evaluated as those of a parasitic competitor

looking to sell paint spray equipment bearing EURO marks to the same potential purchasers to whom Plaintiff offers original, authentic, and European, SATA goods.

As to his decision to use EURO as his mark, while professing to have no documentation relating to his selection or adoption of the EURO marks for use in connection with his Taiwanese goods (Ex. 1 Int. 1), Defendant claims that the mark was conceived “spontaneously” and that it was selected because it is “simple and easy to pronounce.” (Ex. 1 Int. 1).

**b. Ghorbani’s EURO Goods**

Defendant acknowledges that his Taiwanese manufacturer brands Defendant’s paint spray guns with EURO at Ghorbani’s request. (Ex. 3 Int. 40). Email correspondence between Defendant and his manufacturer relating to Defendant’s selection and forwarding to Taiwan of a new EURO logo further evidences Defendant’s control in the selection of what appears on the products, and thus the impression sought to be made upon potential purchasers and users of the involved goods. (Ex. 13).

At various times Defendant has identified his paint spray guns as “EURO-Designed in Germany” and “EURO Design in Germany.” Such claims have appeared in advertising (Exs. 57, 59), in correspondence (Exs. 9, 61) and even on the guns themselves. (Ex. 57). In spite of his eagerness to make such representations to the American public in the marketing of his products, Ghorbani has, on at least two occasions, acknowledged that he had no information, no knowledge, nor any documentation supporting, or even relating to, the claim that his EURO marked guns were in fact “designed in Germany.” (Ex. 3 Int. 39 and Ex. 4 Int. 66). Nevertheless, Ghorbani’s goods are offered to anyone interested bearing the EURO mark and the legend “EURO-Design in Germany” (Ex. 57) in immediate proximity to one another.



## **B. The Meaning, Connotation and Significance of EURO**

### **1. In General**

EURO refers to Europe and things European. This fact is well recognized in American dictionaries. See, for instance, the definitions of EURO from the Illustrated Oxford Dictionary (1998), (Ex. 20); the Random House Webster's College Dictionary (2001), (Ex. 21) and the American Heritage Dictionary of the English Language (2000), (Ex. 22). These dictionary definitions merely reflect the generally accepted understanding that EURO connotes, primarily, an association with something of European origin or associated with Europe, be it transplanted Europeans known as "The Euros" as stars of an American reality show (Ex. 23), an international observatory referred to as EURO-VO (Ex. 24), a globally recognized European Soccer Tournament, specifically the UEFA EURO 2016 (Ex. 25), a Scientific Congress known as EURO PM 2015 (Ex. 26) or a website (eurosport.com) whereby American audiences may stay informed of European sporting events. (Ex. 27).

Defendant, through his alleged expert's pronouncement that EURO primarily connotes a unit of currency (D. Ex. 1 at p. 4), does no violence to, and in fact implicitly supports, Plaintiff's showing. Specifically, the currency referred to is a European currency, and not, for instance, a currency of Asia. Thus, the use of EURO in connection with a unit of currency, like the use of EURO in connection with a soccer tournament, observatory, transplanted reality show characters, sports websites, and paint spray guns, all convey to those coming across them the impression that the related goods, services, persons or facilities are of European origin.

The Trademark Trial and Appeal Board has previously acknowledged that "the term 'EURO' is a combining form meaning 'European'" and that EURO is suggestive of the European origin of goods in connection with which EURO marks might be used. *Ariola – Eurodisc Gesellschaft v. Eurotone Ltd.*, 175 USPQ 250, 251 (TTAB 1972). See also *In Re Rossi*

*Group Holdings, Inc.*, Serial No. 77830691 p. 9, fn. 6 (TTAB September 20, 2011) evidencing the Board's recognition of the fact that the involved Examining Attorney had concluded that "the term 'EURO' is an adjective that means 'European'." <sup>4</sup>

## **2. Within The Paint Spray Equipment Industry**

SATA's reputation as a highly and long regarded European designer and manufacturer of spray gun equipment is evidenced by an abundance of positive reviews from satisfied users of its products, praise which appeared on Defendant's own website, and the acknowledgement of SATA's status as an industry leader by Defendant's alleged expert. While SATA's reputation has enormously contributed to the high esteem in which European spray gun equipment has long been held in general, and in the U.S. specifically, there are, and have long been, various other European manufacturers and distributors offering highly regarded paint spray guns for sale to consumers within the United States. Collectively, the activities of these concerns, including SATA, have resulted in European spray gun equipment long being highly regarded in the U.S.

More specifically, besides SATA, other well-known companies, including Asturo (Italy), Sagola (Spain), Devilbiss (formerly a UK company), Optima (Germany), and Ani (Italy) offer highly touted European paint spray equipment to purchasers in the U.S. (Exs. 38, 44, 45, 47-50, 54). Merely having internet access has, for years, exposed American consumers to the excellent reputation of European spray gun equipment providers, and has allowed potential U.S. purchasers the opportunity to locate these products from the comfort of their own homes or businesses.

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<sup>4</sup> Plaintiff is not contending, nor need the Board hold, that EURO is never capable of serving as a registerable mark. Each case must, of course, be decided on its own facts. Plaintiff's contention is simply that, under the particular facts of this case, Defendant's EURO marks, as used in connection with its particular goods, are not registerable under §§ 2(a) and 2(e)(3).

These offerings, advertisements, trade publication articles and user comments, establish not only that European design and source have long been esteemed and touted in the U.S. market, but also that manufacturers and vendors of non-European paint spray guns look to favorably compare themselves to European spray gun equipment. Such claims, in and of themselves, demonstrate the cache of the European reputation and the value of such in advertising to potential purchasers. The following representative examples well demonstrate these points.

- A 2008 website posting directed potential purchasers to a vendor of “high end made in Europe guns.” (Ex. 69).
- The same website contains another 2008 posting, this one noting that a product offering was “patterned after high-end SATA Jet 90.” (Ex. 69).
- A 2002 contributor to woodweb.com noted that preferred “Gravity guns were designed by the European auto body aftermarket.” (Ex. 34 at p. 1).
- The same 2002 contributor characterized the first SATA gun he purchased as “quite possibly the best high pressure automotive spray gun ever invented” and concluded, “Once you see what a SATA can do, it’s hard to go back.” (Ex. 34 at p. 2).
- Writing in 2003, a Kansas consumer opined, “To me SATA is the only way to go!!” (Ex. 32 at S 492).
- Writing at the same site, also in 2003, a spray gun user from Pennsylvania stated, “I have a SATA RP ... I use it everyday and I love it.” (Ex. 32 at S 493).

- Another user noted, “I’m currently in my last quarter of a collision repair program at a community college and my instructor who has been in the business for 30 years likes Sata first.” (Ex. 32).
- As concluded in a 2011 industry trade publication product review, referring to SATA as “the crème de la crème of the spray gun world”, “these are the big dogs. SATA is a German company that has been making top-quality spray guns for decades.” (Ex. 30 at S 0496).
- Potential U.S. spray gun equipment purchasers are exposed through the spraygunindustry.com website to the fact that Italian manufacturer Asturo is over 85 years old and claims to be “The No. 1 European Spray Gun company.” (Ex. 49), while U.S. consumers visiting spraygunworld.com and paintsprayersplus.com are exposed to similar claims. (Exs. 47, 48).
- Similarly, Spanish manufacturer Sagola’s paint spray goods are advertised to U.S. consumers with the claim that Sagola has been “a world leader in quality spray equipment for over 60 years.”, and has “sales agents and dealers throughout North America.” (Ex. 44).
- Italian manufacturer ANI’s paint spray goods are advertised to American consumers with the claim that they offer “European Hi-End Spray Equipment” (Ex. 50 at S 569) and notes, “Here in the US we benefit by utilizing tools created with a European bent.” (Ex. 50 at S 570).
- Italian spray guns are offered to American consumers with the claim that such possess “European Quality.” (Ex. 51).

- Non-European, specifically Chinese, spray gun manufacturers pay homage to the esteemed European reputation, as demonstrated by the offering of products claimed to be of “European Style.” (Ex. 53).
- There are message boards that not only exalt European paint spray guns, but also denounce Asian manufactured guns. A Pontiac Zone online forum offers a link to spraygunworld.com as a location to buy “high end made in Europe guns”, while exclaiming “...to hell with the Chinese crap.” (Ex. 69).
- Paint spray guns are offered to the American market with the boast that such are “Modeled after European spray guns” (Ex. 56 at S 0593) and, in the same promotional materials, boast to potential U.S. consumers that these guns are “NOT made in China.” (Ex. 56 at S 592).
- Other advertisements promoting the paint spray goods of European manufacturers claim to offer “Europe’s Elite Spray Gun Series”, boast of the goods’ German origin, and claim to offer products possessing “Fully professional German engineering and construction.” (Ex. 45). Or, in the case of an Italian manufacturer’s goods, lay claim to being “The No. 1 European Spray Gun Company.” (Ex. 49).
- A third party website makes the claim that its paint spray guns are “Used exclusively in the premier body shops of Europe.” (Ex. 52).
- An online advertisement states that guns for sale are a “German type”, and that the guns are “Modeled after the \$500 German Spray guns.” (Ex. 29).
- In offering its American customers paint spray gun equipment from a broad array of manufacturers, spraygunworld.com advertises that the spray equipment

provided by one manufacturer is “Modeled after Top German HVLP spray guns”, that the goods offered by a second manufacturer are the “Finest German HVLP & LVLP Spray Guns in the world”, and that a third manufacturer “has lead the way in spray gun design in Europe.” (Ex. 54).

- Other spraygunworld.com advertisements have exposed American consumers to claims that the offered goods are “comparable to the German Spray”, and qualify as equipment which, it is claimed, “sprays as well as German Spray Guns at 1/3 the price.” (Ex. 42 at p. 2). In speaking of the goods of a German competitor it is noted, “WOW! German engineering and production at its finest. German Spray’s competitor in Germany. It’s the BMW vs Mercedes.” (Ex. 42 at p. 3).
- O’Reilly Auto Parts, a trusted seller of automotive tools and equipment, wrote that “SATA sets the standard”, “‘SATA Quality’ is a firm conviction for any painter: reliability, durability and ergonomics of their SATA products are not something to be questioned”, and “Together with capable distributors in Germany and abroad, SATA assures customer service worthy of being called that.” (Ex. 33).
- In referring to the “The European Tekna by Devilbiss”, the claim is made that these paint spray guns are “Built to compete with German Spray Guns.” The ad claims, “TEKNA Spray Guns – Made in Europe for North America’s Best Automotive Painters.” (Ex. 37).
- Even the paint spray goods of Japanese manufacturer Anest Iwata, much ballyhooed by Defendant and his alleged expert, are promoted by comparisons using “German spray guns” as a benchmark. (Ex. 36).

The evidence establishing the connotation and reputation attached to “Europe” and “European” origin, design and manufacture, and the esteem in which such paint spray gun equipment is held, is abundant and unambiguous. However, the showing would not be complete if it did not include Defendant’s own adoption and use of EURO in connection with the offering of non-European spray gun equipment, and if it did not include the graphic depiction of Defendant’s Taiwanese spray guns bearing the EURO mark and, immediately beneath the mark, the legend “Design in Germany.” (Ex. 57).

**VI. ARGUMENT-THE APPLICATION OF RELEVANT LAW TO THE FACTS OF THIS CASE ESTABLISHES THAT SATA HAS STANDING TO BRING THESE CHALLENGES AND THAT DEFENDANT’S EURO MARKS ARE NOT ENTITLED TO REGISTRATION UNDER SECTIONS 2(a) AND 2(e)(3).**

**A. SATA Has Standing To Bring These Proceedings**

SATA clearly has standing to bring and pursue these proceedings. As previously noted by the Board “where...the pleaded grounds is that the mark sought to be cancelled is deceptive under Section 2(a), or primarily geographically deceptively misdescriptive under Section 2(e)(3), Petitioners do not need to own a pending application for the mark, do not have to be using the term as a mark, or even use the term at all, in order to establish their standing.” *Fontaine v. Light My Fire, AB*, Can. No. 92051304 p. 7 (TTAB January 12, 2012), citing *Corporacion Habanos S.A. v. Empresa Cuban Del Tabaco, d.b.a. Cubatabaco* Can. No. 92052146 (TTAB August 1, 2011).

SATA has standing in that it has a real interest in the outcome of this case beyond that of the general public. Defendant has acknowledged that SATA is a competitor. (Ex. 8). In addition, Defendant’s use of EURO marks on paint spray guns and related equipment, and his claims that the guns are designed in Germany, can reasonably be expected to impact the

reputation and business of those whose paint spray gun equipment does originate in Europe, and those whose paint spray gun equipment really is “designed in Germany.”

**B. Defendant’s EURO Marks Are Not Entitled To Registration Under Sections 2(a) and 2(e)(3)**

**1. Defendant’s EURO Marks Are Not Registerable As Every Element Of The Relevant Legal Analysis Is Clearly Satisfied Under The Facts Of This Case.**

**a. The Primary Significance Of Euro Is A Generally Known Geographic Place**

The uncontradicted and overwhelming evidence, collected from a variety of sources, clearly establishes that EURO is well recognized in the United States primarily as referring to a geographic location, unambiguously identifying the continent of Europe and designating European origin. As discussed above, the TTAB has itself previously, and repeatedly, recognized that the primary significance of the term EURO is that of a geographic location, namely as an indicator of European origin. Also worthy of consideration, and relevant in demonstrating how the Board has historically perceived geographic marks, is the case of *In re Interdesign, Inc.*, Serial No. 77954696 at 9 (TTAB September 14, 2012) in which the Board found the mark SWISS + TECH to be primarily geographic in nature because SWISS means “relating to Switzerland or its people”, and that “the country of Switzerland is neither remote nor obscure.” Following the Board’s logic, the mark EURO, established as definitive of Europe and European origin, is to be accepted in this case as having primarily geographic significance, as Europe is neither “remote nor obscure.” The sound reasoning of the Board in *Interdesign* also eliminates any potential argument that the primary significance of EURO is not a geographic location, but is rather suggestive of characteristics such as precision and high quality. The Board found that argument unavailing, commenting that with respect to the mark SWISS + TECH, the fact that the term SWISS is “interchangeable with precision and quality, actually underscores the reasoning



for refusal: that is, consumers are likely to attribute a desirable quality to goods based on their perceived geographic origin.” *Interdesign, supra*, at 12.

Whether considering previous Board decisions, dictionary definitions (Exs. 20-22) or popular culture references as discussed and cited above (Exs. 23-27) (see Sec. V.B.1.), there can be no disputing the conclusion that the primary significance of EURO is that of a generally known geographic location - the continent Europe. A geographically descriptive term can indicate any geographic location on earth, including continents. *Companhia Antarctica Paulista v. Coe*, 64 USPQ 109 (App. D.C. 1945) (ANTARCTICA); *North American Aircoach Systems v. North American Aviation*, 107 USPQ 68 (9th Cir. 1955) (NORTH AMERICAN); 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 14:3 (4<sup>th</sup> ed. 2009).

It is well-established that for purposes of the test required for showing that a mark is geographically deceptive and primarily geographically deceptively misdescriptive under §§ 2(a) and 2(e)(3), the relevant inquiry is that of the primary significance of the mark. Whether the proposed mark possesses other meanings or usages other than as a geographic term does not alter its primary geographic significance. *In re Opyland USA Inc.*, 1 USPQ2d 1409 (TTAB 1986). Defendant’s contention that EURO, when used in connection with his Taiwanese manufactured paint spray guns, connotes a unit of currency is without merit. The existence of an alternative meaning of Euro, namely that of a European currency, does not alter the mark’s primary geographical significance. In addition to the Board’s acknowledgements and dictionary definitions, examples of the American public being inundated with uses of “Euro” as referring to Europe and European origin are littered across popular culture, as evidenced by the representative smattering of examples provided as Exs. 23-27 and discussed above (See V.B.1.).

With regard to the first of the required elements, there is no question that the primary significance of “Euro” is that of a geographic location, and that this is the connotation that will come to mind upon potential consumers and users viewing EURO on Defendant’s Taiwanese manufactured paint spray guns.

**b. Defendant’s EURO Paint Spray Guns And Related Goods Do Not Originate In Europe**

The second of four elements necessary for a showing of geographical deceptiveness and geographical deceptive misdescriptiveness is not in dispute. As earlier noted, Defendant admits that his EURO marked paint spray guns and related accessories originate not in Europe, but in Taiwan. (Exs. 1, 3, 28, 62).

**c. Purchasers Are Likely To Believe That Defendant’s EURO Paint Spray Goods Originate In Europe**

In order for a mark to be geographically deceptive and primarily geographically deceptively misdescriptive, evidence of a goods-place association is required, whereby the relevant purchasing public is shown to associate the goods in question with the place identified by the mark. *In re California Innovations, Inc.*, 66 USPQ2d 1853, 1855 (Fed. Cir. 2003). The Board has further elaborated that an Opposer has a “relatively easy burden of showing a naked goods-place association.” *Id.* at 1857. In cases involving goods as opposed to services, the goods place association often requires little more than the showing that consumers identify the place as a known source of the goods. *In re Paris Croissant Co., Ltd.*, Serial No. 78598734 at 6 (TTAB September 10, 2007), citing *In re Les Halles De Paris J.V.*, 67 USPQ2d 1539, 1541 (Fed. Cir. 2003).

A goods-place association has been permitted without any showing that the place is “well-known” or “noted” for the goods in question, as the relevant inquiry “is not the fame or

exclusivity of the place name, but the likelihood that a particular place will be associated with particular goods.” *Id.* citing *In re Loew’s Theatres, Inc.*, 226 USPQ 865 (Fed.Cir.1985). It is also not required that the geographic location named in the mark be shown as the only or exclusive source of the goods at issue. *Paris Croissant*, *supra*, at 10.

In forming a goods-place association, an inference is permissible that the consumer associates the product with the geographic location in the mark because that place is known for producing the product. *Les Halles de Paris J.V.*, 67 USPQ2d 1539, 1541 (Fed. Cir. 2003). The evaluation process in determining whether a goods-place association exists includes consideration of all evidence in the record that shows the context in which the mark is used. *Interdesign*, *supra*. Evidence found satisfactory to establish a goods-place association includes excerpts from telephone directories, dictionaries, gazetteers, encyclopedias, geographic dictionaries, the Lexis Nexis database and the results of internet searching. *In re Compania de Licores Internacionales S.A.*, 102 USPQ2d 1841 (TTAB 2012). In considering the mark SWISS + TECH for hand tools, a goods place association was established between Switzerland and the goods recited in the application based upon evidence in the record showing other Swiss companies, such as Victorinox, Gerber, and Wenger, as contributing to the fine reputation afforded related Swiss goods. *Interdesign*, *supra*, at 13. Similarly, Gazetteer and website evidence merely demonstrating that cigars are produced in Cuba was found to be competent evidence in establishing a goods-place association for the mark KUBA KUBA as applied to cigars. *In re Jonathan Drew*, 97 USPQ2d 1640 (TTAB 2011).

Finally, in finding and considering evidence that Tuscany, Italy is an industrial center that produces a variety of products including furniture, and that several businesses advertise the sale of furniture from Tuscany on the internet, a goods-place association was recognized between

Tuscany and furniture, even though Tuscany is not famous for furniture. *In re Broyhill Furniture Ind., Inc.*, 60 USPQ2d 1511 (TTAB 2001).

After careful consideration of the relevant evidence, the Board will reach the inescapable conclusion that the consuming public is likely to believe the place identified by Defendant's EURO marks, namely Europe, indicates to consumers the place of origin of Defendant's EURO paint spray guns as the abundance, and unambiguous import, of the numerous third party websites specifically noted and discussed above (Exs. 29-30, 32-34, 36-37, 42, 44-45, 47-49, 50-54, 56, 69) very well demonstrate the goods-place association between paint spray guns and Europe.

In addition, this goods-place association is powerfully reinforced by Defendant's own extensive and explicit association of his goods with Europe. Defendant's own advertising and promotional materials make explicit associations between his non-European Taiwanese goods and Europe. As established, Defendant uses the mark EURO (Def.: "Europe; European") for his Taiwanese manufactured paint spray guns and has then taken the liberty of emblazing EURO on his goods above "Design in Germany" (Ex. 57), despite lacking any support for the German design claim. (Ex. 3 Int. 39, Ex. 4 Int. 66). The effect created is a Taiwanese manufactured gun stating "Design in Germany" directly underneath the EURO mark. The connotation of European manufacture is undeniable, leaving potential purchasers hard pressed to surmise that the guns are Taiwanese, or indeed anything other than European in origin.

It is also relevant that Defendant, upon registering for the 2012 SEMA tradeshow, received email correspondence from SEMA addressing confirmation for "EURO SPRAY TECHNOLOGY" (Ex. 58). Rather than MG Distributor, or EURO paint spray guns, Defendant registered as Euro Spray Technology, drawing a direct correlation and association to and with

Europe and European paint spray goods. Defendant's action and promotional tactics indicate his own acknowledgement of a goods-place association between paint spray guns and Europe.

Finally, the fact that paint spray guns are manufactured in parts of the world outside Europe is of no importance. It would be unrealistic to expect the entirety of the world's paint spray gun supply to originate from Europe. The existing case law is very clear that the location named in the mark does not have to be the exclusive source of the goods at issue. *Paris Croissant, supra*, at 10. Nevertheless, considering the reputation of Europe in the paint spray equipment industry, Plaintiff's esteem within that industry, the recognition of that esteem by Defendant and his alleged expert, the language used by third parties in advertising and discussing paint spray guns, and the manner in which Defendant has falsely touted a "German Design" of his paint spray guns, the evidence overwhelmingly establishes that there exists a goods-place association between Europe and paint spray guns.

**d. The Misrepresentation Created By Defendant's Use Of EURO Under The Facts Of This Case Should Be Acknowledged As Being A Material Factor For A Substantial Portion Of Relevant Consumers In Deciding Whether To Buy Ghorbani's EURO Marked Goods**

Materiality is evidenced by some indication that a substantial portion of the relevant consumers would be influenced in the decision to purchase the product or service by the geographic meaning or reputation associated with the mark. *In re Spirits Int'l, N.V.*, 90 USPQ2d 1489 (Fed. Cir. 2009). This requires consideration of the impression likely created by Defendant's use of EURO, as well as the evidence relating to the probable reaction of purchasers to EURO when it is applied to paint spray guns. *In re House of Windsor, Inc.*, 221 USPQ 53 (TTAB 1983). It can only reasonably be concluded that under the facts of this case, where (a) the European nature of the involved goods is widely promoted and seen as an advantage, and (b) the

mark is EURO, (as used alone or in connection with claims of German design), the obvious misrepresentation would indeed be a material factor for a substantial portion of consumers in their decision to purchase Defendant's EURO marked Taiwanese paint spray products.

In determining the impression created by Defendant's use of the mark EURO and the probable reaction of potential purchasers upon viewing the EURO mark on paint spray guns, it is imperative to consider the collection of evidence garnered from the paint spray gun industry demonstrating how the goods are advertised, opinions regarding gun preferences from actual paint spray gun users, and what qualities pertaining to paint spray guns are perceived as valuable. All of the evidence of record must be viewed as a whole for determining materiality. *In re Beaverton Foods*, Serial No. 76624790 (TTAB August 13, 2007).

Inferences of materiality are permitted to be drawn from the evidence, serving as proof that a substantial portion of the relevant public will be deceived. The Board provided the following instructive language following an Examining Attorney's use of snippets from different websites to show that Spain is a recognized producer of citrus fruits:

Obviously, it would be a rare case in which the Office would find evidence that expressly says that 'the reason consumers buy Product A is because it comes from geographical area X, which is noted for Product A.' Therefore, it is not surprising that the examining attorney has not presented that type of evidence in this case. Instead, the examining attorney has demonstrated that Spain is a major producer of various fruits, a factor that is entitled to some weight. Furthermore, consumers are described as 'relishing' blood orange juice while in Spain, and celebrating the arrival of Clementine's from Mediterranean Europe in the Eastern United States. In addition, Spain has been touted as a source of 'some of the finest fruits in the world, unsurpassed in both the variety and quality available.' It is reasonable to assume that consumers aware of these statements and claims about Spanish fruit, would be materially influenced in their decisions to purchase goods of applicant's type identified by the term ESPANA GROVE. *In re BrandMark LLC*, Serial No. 78726602 at 15-16 (TTAB February 13, 2007).

As previously noted, as part of the materiality inference, third party websites are competent sources to show what the relevant public would understand a term to mean. *In re Reed*

*Elsevier Properties Inc.*, 82 USPQ2d 1378 (Fed. Cir. 2007). The way in which paint spray equipment is advertised and sold is thus relevant in establishing materiality because effective advertising requires a pronouncement of desirable features in order to lure potential purchasers. If a consumer is indifferent to claims or attributes contained in an advertisement, that consumer may be less likely to purchase the goods being advertised. The opinions expressed by neutral third parties through media such as online message boards and product reviews unequivocally demonstrate the esteem and status of European manufacture within the paint spray gun industry, and illustrate how and why European origin or association is a material factor considered by consumers.

As unambiguously demonstrated above, European quality and comparisons to European paint spray guns are not only desirable characteristics, but are key selling points within the paint spray gun industry as those characteristics and the enviable European reputation of these goods are routinely emphasized to potential American consumers and users. One can only infer, based upon the numerous examples provided, that the touting of European quality and favorable comparisons to European guns within the industry, is intended to, and does, produce sales because these attributes are material to a potential purchaser's decision of whether to buy the goods.

Communications and correspondence exchanged between Defendant and his Taiwanese manufacturer further demonstrate the valuable nature, indeed the materiality, of the association between Europe and paint spray guns. The effect upon consumers of the actions of Defendant and his manufacturer in profiting from an illusion of European origin can further be inferred from correspondence whereby Defendant expressed his interest in buying, and his manufacturer its interest in providing, "SATA type" spray guns. Defendant's manufacturer made specific

reference to a new “SATA type spray gun”, while informing Defendant that he might elect to “die-cast EURO onto the gun body.” (Ex. 12).

In another instance, a shipment of spray guns was discussed between Defendant and his manufacturer whereby the manufacturer described the Taiwanese guns as “Our (sic) new SATA spray gun which looks like SATA 1000, NOT 3000 NOR 4000.” (Ex.11). As noted above, the physical likeness to Plaintiff’s European guns was a material factor in the purchasing decision of at least one individual who, in correspondence with Defendant admitted that he was interested in becoming a distributor of EURO guns in part because of their resemblance to SATA guns. (Ex. 19).

The materiality of a European designation as applied to paint spray guns is thus further evidenced by Defendant’s own actions. Defendant presumably began selling paint spray guns to make money. Therefore, it is reasonable to conclude that the decisions made by Defendant with respect to his goods were intended to induce purchasers to buy his products and advance his business. The mark chosen by Defendant to represent his Taiwanese goods, and to associate his goods within the minds of U.S. consumers, is EURO, definable and understood as meaning “Europe; European” (Exs. 20-22). Defendant’s decision to place the EURO mark directly above “Design in Germany” on gun handles (Ex.57), despite no support for the claim of German design, obviously had an intended consequence. It was an intentional act taken by Defendant that can only reasonably be seen as having the effect of influencing potential purchasers as a material selling point for what in actuality is a Taiwanese product. The only rational inference that can be drawn is that the mark’s false geographic association would positively influence consumers, as why else would the Defendant have chosen that false geographic term out of the infinite non-deceptive alternatives available. There is no reason to think that Defendant’s



deliberate, false association of his goods with Europe will not function in precisely the desired manner, leading consumers who might not otherwise purchase Defendant's goods to do so.

**e. Additional Facts and Law Relevant to the Cancellation of Ghorbani's '295 Registration**

Contrary to the position apparently asserted by Defendant, (Ninth Affirmative Defense, Answer to Petition to Cancel) the '295 registration is not rendered immune from cancellation as being "incontestable." To the contrary, the law is clear that cancellation under § 2(a) may be asserted against an issued registration at any time. 15 U.S.C. § 1064(3). The facts of this case well establish that cancellation of the '295 registration is both permissible and warranted.

Initially, it is noted that the fine reputation enjoyed by European paint spray gun equipment has long existed in the U.S. This showing (as summarized above in Section B. 3) supports the conclusion that the EURO mark was geographically deceptive at the time of its registration and, consequently, that the registration has been susceptible to cancellation "at any time."<sup>5</sup>

However, a separate and distinct basis also exists for concluding that the '295 EURO registration is presently amenable to cancellation under Sec. 2(a), and that cancellation is fully warranted. Specifically, as noted above in Section IV, "A registration more than five years old can be cancelled on the ground of geographic deceptiveness if a registrant, through its own actions, causes the mark to become geographically deceptive subsequent to the issuance of the registration." *K-Swiss, Inc. v. Swiss Army Brands, Inc.*, 58 USPQ2d 1540, 1542-1543 (TTAB 2001). (Emphasis added). An example provided by the Board as an activity warranting

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<sup>5</sup> Even materials and activities occurring after registration may well be relevant in considering reputation as of registration in the context of a Section 2(a) cancellation. *Lesley Hornby v. TJX Companies, Inc.*, 87 USPQ2d 1411 (TTAB 2008). (Activities and materials occurring and created in 7 year span between issuance of registration and trial deemed relevant to show reputation at issuance of registration).

cancellation of a registration over five years old is the registrant's "using its mark so as to misrepresent the source of its goods." *K-Swiss, Id.* at 1542. (Emphasis added.)

Defendant has done exactly that. Defendant has used the EURO mark so as to misrepresent the source of his goods by positioning the EURO marks on his goods immediately above the baseless claim that the goods were "Design in Germany." (Ex. 57). He has similarly used the mark in connection with various items of correspondence (Exs. 9, 61). He has run advertisements using EURO in connection with the assertion that the involved goods were designed in Germany (Exs. 57, 59) and has, of course, admitted that he possessed no basis for these claims. (Ex. 3 Int. 39, Ex. 4 Int. 66). As noted above, he had used the mark at his website where its use, in conjunction with verbiage extolling the virtues of SATA goods, could only be expected to deceive potential consumers through the creation of the impression that the source of EURO goods was in fact Europe. (Ex. 14). It is reasonable to conclude that the same impression would be created in the minds of potential purchasers and users as a result of Defendant's use of the EURO mark in offering his goods under the name "Euro Spray Technology" when looking to participate in trade shows. (Ex. 58).

The conclusion is unavoidable that Defendant has, subsequent to the issuance of his registration, used the EURO mark so as to "misrepresent the source of his goods." Consequently, the '295 registration can, and should be, cancelled.

**C. Defendant's Arguments Are Unavailing**

**1. Defendant's Case Is Not Advanced By The Arguments Of His Alleged Expert, Mr. DeMarco**

Defendant's Notice of Reliance (NOR) identifies as Ex. 1 the "Expert Report of Michael DeMarco." While, as discussed below, Mr. DeMarco's opinions cannot be accepted with respect to any of the conclusions summarized in Defendant's description of Mr. DeMarco's report in

Defendant's NOR, there exists a broader, and overriding, concern with respect to Mr. DeMarco's "Expert" Report.

Specifically, in response to Requests for Admissions and Interrogatories served subsequent to the submission of Mr. DeMarco's report, it was admitted that Mr. DeMarco was actually a vendor of Ghorbani's paint spray guns and related equipment "when the Expert Report was signed." (R. Ex. 1 Amended Resp. 9) (See also R. Ex. 1 Resps 10 and 11) and Ghorbani's Answer to Int. 64 (Ex. 4 Int. 64) acknowledging that Mr. DeMarco was a vendor of EURO guns.

The "expert" conclusions advanced by Ghorbani's vendor/alleged expert are flawed for several additional reasons. Specifically, Ghorbani's NOR summary of Mr. DeMarco's Report highlights Mr. DeMarco's opinion that "The primary significance of EURO is not a generally known geographic location." This conclusion is offered with absolutely no support, authority or educational basis. As a practical matter, Mr. DeMarco's unsupported conclusion is rebutted by the authoritative dictionary definitions discussed above (Exs. 20-22) as well as other SATA exhibits evidencing the common usage of EURO as denoting Europe. (Exs. 23-27).

Additionally, as noted above, EURO's signifying Europe was recognized by the Trademark Trial and Appeal Board at least as long ago as its 1972 decision in *Ariola-Eurodisc Gesellschaft v. Eurotone, Ltd.*, 175 USPQ 150 (TTAB 1972) (discussed above in Section V.B.1.)

Numerous problems also exist in connection with Mr. DeMarco's assertion that purchasers would not likely believe that EURO marked goods originate from Europe. Initially, his opinion that "A purchaser is unlikely to associate the mark EURO with a product that is manufactured in Europe" (D. Ex. 1 at p. 4.3 ¶ 1) is not only not accurate, but does not relate to the facts of our cases in that in the cases *sub judice* EURO is used in connection with products that are not manufactured in Europe.

Secondly, Mr. DeMarco bases this portion of his opinion on the conclusion that “The purchaser has to first make the association that EURO is shorthand for Europe.” (D. Ex. 1 at p. 5, ¶ 1). As noted above, it is quite safe to assume that “EURO” is indeed associated with “Europe.”

Thirdly, there is no basis for assuming that consumers of paint spray guns and related equipment are necessarily sophisticated and would thus be “unlikely to believe that the goods originate in the geographic place identified in the mark” as argued by Mr. DeMarco. (D. Ex. 1 at p. 5, ¶ 2). Not only does the quoted language constitute an admission by Mr. DeMarco that there does exist a “geographic place identified in the mark” but further, Mr. DeMarco ignored the fact that paint spray guns may be bought and used by anyone, whether sophisticated or not. And, of course, the challenged applications and federal registration recite no restrictions as to any particular types of consumers or channels of trade from which one might assume that the involved purchasers or users are necessarily sophisticated.

Fourthly, Mr. DeMarco’s conclusion as to how spray guns are typically sold is, simply put, at odds with the facts of this case. More specifically, Mr. DeMarco states “When spray guns are sold, typically a sample provided by the manufacturer is given to a consumer. The consumer takes the sample and paints an object (a car), and then decides that the spray gun is suitable for his or her needs.” (D. Ex. 1 at pp. 5-6). Mr. Ghorbani has readily acknowledged that his paint spray guns and related equipment are offered through websites, through advertisements, direct mailing, trade publications, and at trade shows. (Ex. 1 Ints. 6, 21). None of these possibilities provides an opportunity whereby a manufacturer is providing a sample to a potential consumer for testing purposes prior to making a decision as to whether or not to purchase as alleged by Mr. DeMarco.

Finally, Mr. DeMarco's assertion that during four years of doing business with Mr. Ghorbani he has not come across instances "where one of my buyers believed that the spray gun sold under the name EURO actually originated from Europe" is unsupportable. Mr. DeMarco has no basis upon which to determine what purchasers of EURO guns "believed." It may be just as likely that, attaching geographic significance to EURO, and especially where the legend "Design in Germany" appeared in close proximity to EURO, every purchaser of a EURO gun "believed" that the goods originated from Europe. "Persons who are truly confused will often never be aware of the deception. Others who were confused and later learned of their deception will often not bother to report the fact." 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:12 (4<sup>th</sup> ed. 2009).

It follows that Mr. DeMarco's final conclusion, specifically his assertion that "Any misrepresentation is not a material factor in the consumer's decision to buy the goods" is similarly flawed. This conclusion is inescapable given that:

- It is based upon the erroneous conclusion that EURO does not primarily signify a geographic location.
- It is based upon the erroneous conclusion that purchasers have the opportunity to test goods prior to purchase.
- It is based upon the erroneous conclusion that European design, manufacture and craftsmanship are not of significance in the paint spray gun industry.
- Mr. DeMarco acknowledges that he is completely ignorant of the trade's practice of extolling European origin, design, and manufacture in advertising to consumers. (Ex. R Ex. 3 Int. 11).

- Mr. DeMarco, ignorant of, or ignoring, the reputation of Europe within the trade, and the use of that reputation in the advertising and promotion of paint spray gun equipment to prospective purchasers, ignores both reality and logic in concluding that because several, or even many, European countries are not known as esteemed sources of paint spray guns, that Europe itself does not, or cannot, enjoy that esteemed reputation.

In sum, it is completely understandable that Mr. DeMarco, as a vendor of EURO guns at the time of the execution of his report, had every interest in seeing that his opinions were afforded great weight. However, those opinions are simply unsupportable. As demonstrated herein, the facts fully and unequivocally support the conclusion that the use of EURO in connection with the advertising and sale of Defendant's goods is both geographically deceptive and primarily geographically deceptively misdescriptive under §§ 2(a) and 2(e)(3).

**2. Defendant's Additional Assertions And Conclusions Are Without Factual Support, Legal Basis Or Relevance To This Case.**

**a. The EURO's Status As A Unit Of Currency Does Not Bolster Defendant's Case.**

Defendant's observation, and related argument, that the EURO is a unit of currency does not support any part of Defendant's case. As noted above, it is a unit of European currency. (See Section V.B.1.).<sup>6</sup> Moreover, as long recognized by the law, "the fact that the proposed mark may possess a meaning or usage other than as a geographic term does not necessarily alter its primary geographic significance." *Interdesign, supra*, at 9. ("SWISS", meaning "relating to Switzerland or its people" held primary meaning of dominant portion of mark.)

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<sup>6</sup> It is submitted that the use of EURO as a name of, for instance, an Asian currency, would be viewed as highly deceptive and also as geographically deceptively misdescriptive.

**b. The Fact That Some European Countries Are Not Known For Their Paint Spray Gun Equipment Does Not Bolster Defendant's Case.**

Defendant's argument that, because some European countries are not known for the design and/or manufacture of highly esteemed paint spray gun equipment, Europe itself is not so recognized, is ill-founded and illogical.

Applying Defendant's reasoning it would need to be concluded that Maine cannot be recognized for its lobsters, Georgia for its peaches, France for its perfumes, nor Switzerland for its watches, upon a showing that there exist geographic subdivisions within each of these geographic locations that are not known or highly regarded as a source of the goods as to which the larger geographic units are known.

The lack of a logical basis for Defendant's argument is further exposed by considering the EURO as a unit of currency. While Defendant asserts that the significance of EURO is its recognition as a unit of currency, he ignores the fact that while the EURO is recognized as a currency, this is in spite of the fact that not all European countries use the EURO as a currency. Similarly, while all European countries are not known as sources of high quality paint spray gun equipment, Europe, as demonstrated herein, does in fact have a long and esteemed reputation amongst U.S. consumers as being a source of such goods.

Finally, and most significantly, Defendant's illogical conclusion is unambiguously contradicted by the fact that Europe is referred to, and very positively so, in the paint spray gun industry and in advertisements and product reviews offering and discussing paint spray guns as evidenced by the representative sampling proffered through Exs. 34, 37, 45, 47, 49-56, 69. Obviously, the omission of Belarus, Kosovo, and other European countries from those considered sources of high quality paint spray equipment have not discouraged the industry from

widely recognizing, exploiting, and confirming to the American consumer the fact that European spray gun equipment is, and has long been, held in significant esteem.

**c. Defendant's Preoccupation With SATA Does Not Support Defendant's Case.**

From his exchanges of correspondence with his Taiwanese manufacturer (See, for instance, Exs. 3, Int. 61; Exs. 11-12), to his inclusion of language touting SATA products at his website offering EURO SATA copy goods (but not SATA goods) (Ex. 14), through the alleged facts and issues he sought to introduce into these proceedings, Defendant has consistently exhibited a preoccupation with SATA. Through his Notice of Reliance and accompanying exhibits Defendant has sought to direct the Board's attention to sunglasses bearing the SATA mark (D. Ex. 18); the labeling of SATA products (D. Exs. 3, 27, etc.); the observation that SATA has not established "actual confusion between EURO branded and SATA branded spray guns" (D. Ex. 5); the fact that SATA's U.S. distributor provides training for painters (D. Ex. 32); and the fact that "fake SATA spray guns" have been manufactured in Turkey. (D. Ex. 7).

Defendant has missed, or seeks to divert the Board's attention from, the fundamental fact that these proceedings and their statutory underpinnings, specifically §§ 2(a) and 2(e)(3), are focused, in their entirety, upon Defendant's marks, Defendant's goods, the manner in which Defendant uses his mark and the reasonable perceptions that might be expected from relevant potential purchasers and users of Defendant's goods under the circumstances presented by Defendant's activities. SATA's activities are relevant in establishing its standing and its status as a significant contributor to the fine reputation long enjoyed by European spray gun equipment in the U.S.



**d. Defendant's Assertions With Respect to the Alleged Sophistication of Paint Spray Equipment Purchasers and Users Are Not Supportable**

The significance and glaring infirmities with respect to Mr. DeMarco's conclusions that purchasers and users of paint spray guns are sophisticated and thus immune from geographic source deception are discussed above in Section VI. C. and will not be repeated here. However, Defendant's Notice of Reliance contains additional assertions pertaining to alleged sophistication which, similarly without merit, warrant brief discussion.

Defendant contends that the sophistication of relevant purchasers is evidenced by an advertisement of SATA's exclusive U.S. distributor stating that the distributor "has trained thousands of painters." Defendant concludes that this is "relevant for showing the sophisticated purchaser who has to take classes and undergo training to use a spray gun." (D. Ex. 32 and description thereof in Def.'s NOR). It is respectfully submitted that the fact that thousands of painters required training might just as well support the conclusion that those individuals were not particularly sophisticated or knowledgeable.

Similarly, Defendant asserts that he has made a showing "That the spray gun industry is highly regulated, and that users of spray guns have intimate knowledge of their spray guns" through reliance upon a website warning painters that they "must take special care not to turn up the atomization air pressure too high." (D. Ex. 34 and description of same set forth in Def.'s NOR). The issuance of such a warning in no way supports a claim of sophistication.

At other points Defendant asserts that a showing has been made "That the consumers of spray guns are sophisticated professionals" based upon an interrogatory answer identifying the market and relevant consumers as including "those involved in auto refinishing, carpentry and various activities involving glazing, staining, and painting of wood." (D. Ex. 4 and description

thereof set forth in Def.'s NOR). It is respectfully submitted that those involved in the identified activities are not necessarily sophisticated professionals as the specified activities encompass within their scope hobbyists of all levels.<sup>7</sup>

Defendant characterizes his Ex. 33 as an article supporting his allegation that "the purchaser/user is a sophisticated purchaser who makes purchasing decisions based on government regulation." (Def.'s NOR. at D. Ex. 33). In fact, the cited document is directed towards, and relates to, body shops and is not a document intended for, nor likely even available to, "a purchaser/user" let alone "a purchaser/user" "who makes purchasing decisions based on government regulation" as asserted by Defendant.

Similarly lacking in probative value is the statement, offered by Defendant in support of his allegation of purchaser sophistication, that a distributor would like to discuss with Ghorbani the possibility of becoming a distributor of EURO guns, while noting that the EURO gun "resembles the SATA guns." (D. Ex. 19). It is submitted that a potential distributor's interest in being able to pass along to American consumers Taiwanese SATA copy spray guns offered under the EURO mark may well demonstrate several things, but the sophistication of purchasers and users is not among them.

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<sup>7</sup> In fact, truly sophisticated purchasers and/or users of paint spray gun equipment could be most aware of the high esteem afforded European spray gun equipment and thus might be even more likely to attach significance to, and rely upon, Ghorbani's goods being offered under the EURO mark. Such could reasonably be expected to be the case especially in those instances in which Defendant has marked the goods themselves, and included in related advertising and correspondence, the "Design in Germany" legend. Consequently, even if a showing of sophistication had been made by Defendant such would in no way diminish the impact of, and the deceptiveness involved in, Defendant's use of EURO under the particular facts of this case.

No showing has been made in support of Defendant's allegation that relevant purchasers and/or users, under the particular facts of this case, are sophisticated as to save Defendant from the conclusion that his EURO marks are not registerable by virtue of §§ 2(a) and 2(e)(3). And, of course, without conceding that such would have saved Defendant, neither the challenged registration nor either of the challenged applications recite any restrictions that warrant limiting the consideration of likely purchasers and/or users to those who are sophisticated and knowledgeable.

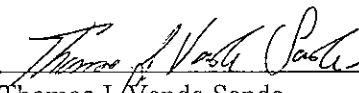
## VII. CONCLUSION

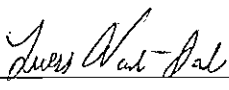
The primary significance of EURO is a generally known geographic location. Defendant's goods are manufactured in Taiwan and are neither designed nor manufactured in Europe. As demonstrated herein, American purchasers and users of paint spray gun equipment are likely, and can rightfully be expected, to associate high quality paint spray gun equipment with Europe as a source for such goods. This association can only reasonably be expected to materially impact the purchasing decision of those seeing Defendant's EURO marks used on and in connection with his Taiwanese goods. These facts, standing alone, and when considered in the context of Defendant's use of EURO in manners likely to deceive, warrant the refusal to register the marks of '768 and '789 applications and the cancellation of the '295 registration. The American purchasing public, as well as legitimate manufacturers and dealers require, are entitled to, and deserve to be afforded, the protections intended to benefit them through the prohibitions against this sort of deception, as recognized and codified in §§ 2(a) and 2(e)(3).

Respectfully submitted,

HALL & VANDE SANDE, LLC

Date: 3/28/16

  
Thomas J. Vande Sande

  
Lucas T. Vande Sande

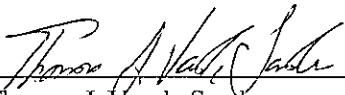
Attorneys for Opposer  
10220 River Road, Suite 200  
Potomac, Maryland 20854  
Phone: (301) 983-2500

CERTIFICATE OF SERVICE

The undersigned, Thomas J. Vande Sande, attorney for Opposer/Petitioner hereby certifies that one (1) copy of the foregoing "OPPOSER/PETITIONER SATA GMBH & CO. KG'S TRIAL BRIEF" and Appendix thereto were this day served on Applicant/Registrant by mailing same, first class mail, to:

Payam Moradian, Esquire  
Keleti + Moradian LLP  
10880 Wilshire Blvd., Suite 1101  
Los Angeles, California 90024

Date: 3/28/16

  
\_\_\_\_\_  
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE  
TRADEMARK TRIAL AND APPEAL BOARD

SATA GmbH & Co. KG,	)	
	)	
	)	
Opposer and Petitioner,	)	
	)	Consolidated
v.	)	Opposition No. 91210813
	)	
Mike Ghorbani,	)	Opposition No. 91217915
	)	
Applicant and Registrant.	)	Cancellation No. 92059849
_____	)	

**APPENDIX**

**PLAINTIFF'S STATEMENT OF EVIDENTIARY OBJECTIONS**

Pursuant to TBMP § 801.03, Plaintiff objects to certain of the exhibits offered through Defendant's Notice of Reliance (NOR). Plaintiff's objections are incorporated by reference into Plaintiff's main brief, and are set forth solely for ease of reference. Nothing stated herein, or in not opposing the admissibility of certain of Defendant's exhibits, is a concession or acceptance of any of the arguments, assertions, characterizations, or statements that Defendant contends via its Notice of Reliance, and Plaintiff reserves all rights with respect to same.

Materials are inadmissible if not relevant under Fed. R. Evid. 402 or if hearsay within the meaning of Fed. R. Evid. 802, or if otherwise excluded under Board precedent. Many of the materials attached to Defendant's NOR fail to satisfy these threshold requirements. Plaintiff

details below its more particular substantive objections to the admissibility of certain evidence submitted by Defendant.

**Defendant's NOR Exhibit 2, Admission 23 (First):** Defendant's Exhibit 2 consists of Opposer's Responses to Applicant's Second Set of Requests for Admission, of which Admission 23 (first) is introduced by Defendant in an attempt to prove that "to the extent the consumer has a bias for German made spray guns, the Applicant's brand name (which "has nothing to do with Germany") would not influence such consumer."

Plaintiff objects to the admission of Exhibit 2, Admission 23 (first) based upon competence and immateriality. Defendant has entirely misstated Plaintiff's Response to this Admission Request, and has attributed language to Plaintiff, through the use of quotation marks in its NOR, that are not even remotely along the lines of Plaintiff's actual Response. When asked to admit whether paint spray guns made in Germany would be perceived by consumers as having different qualities than tools made in Kosovo, Plaintiff objected based upon Defendant's vague reference to "tools", while also questioning the relevance of such a Request when the mark in question includes neither "Germany" nor "Kosovo." Defendant has proceeded in taking the liberty of contorting this Response so as to indicate that Plaintiff has admitted that Defendant's mark has nothing to do with Germany, while attributing the language found in parenthesis, namely "has nothing to do with Germany", to Plaintiff, despite such language not appearing in Plaintiff's Response.

**Defendant's NOR Exhibit 4:** Defendant's Ex. 4 consists of Opposer's Answers and Supplemental Answers to Applicant's First Set of Interrogatories, of which Interrogatory Nos. 10, 16 and 18 are introduced by Defendant in an attempt to evidence that SATA and EURO guns have the same spray pattern and that EURO guns are not inferior in quality or performance.

Plaintiff objects to the admission of this portion of Ex. 4 based on competence. The documents referred to in this exhibit, depicting a spray pattern test, S 0480 - S 0481, were not among the “materials considered” by Mr. DeMarco in formulating his opinion (D. Ex. 1, p. 2 item D.) and his Report is thus silent as to what is and is not established by the spray pattern comparisons depicted in S 0480 – S 0481. The boast proffered by Defendant that the comparison test “shows that the two guns perform the same,” is actually the argument of Defendant’s counsel, and is unsubstantiated by anyone knowledgeable in the paint spray gun field. Defendant’s counsel is not a paint spray gun expert. His claim concerning the results of the spray pattern comparison is unpersuasive. This use of Ex. 4 renders it inadmissible.

**Defendant’s NOR Exhibit 5, Document Request 9:** Defendant’s Ex. 5 consists of a portion of Opposer’s Responses to Applicant’s First set of Document Requests. Request No. 9 is introduced by Defendant in an attempt to prove that there is no consumer confusion or deception created as to the origin of Defendant’s Taiwanese manufactured EURO branded spray guns.

Plaintiff objects to the admission of Ex. 5, Request No. 9 based upon competence and relevance. The Request in question specifically calls for Plaintiff to produce documents relating to incidents known to Plaintiff of actual confusion between Plaintiff’s products and Defendant’s EURO products, in response to which Plaintiff stated it has no knowledge of the extent, if any, to which documentation exists relating to such instances. Defendant has contorted Plaintiff’s Response that it lacked knowledge of such documentation into a claim that no such documentation exists. Perhaps such documents exist and are in the possession of the U.S. distributor of Plaintiff’s products. Further, even if Plaintiff had stated that no such documents exist, such a finding would still not support Defendant’s assertion that no confusion or deception exists as to the origin of EURO branded spray guns.



**Defendant's NOR Ex. 5, Document Request 12:** Defendant's Document Request No.

12 is introduced in an attempt to support Defendant's assertion that his EURO branded guns perform the same as Plaintiff's guns and are therefore not inferior. The Request in question seeks all documents relating to the contention that Defendant's EURO goods are inferior in quality to SATA's goods. Plaintiff objected to this Request as being overly broad and unduly burdensome as pursuing "all documents", but also directed Defendant to S0480-S0481, a document depicting a spray comparison between Defendant's and Plaintiff's guns.

Plaintiff objects to the admission of Exhibit 5, Document Request No. 12 on grounds of competence and relevance. Subsequent to Plaintiff's timely objections to this Request, Defendant elected not to pursue further discovery on the issue of spray patterns and the inferiority of Defendant's EURO products. Further, the opinion that documents S 0480 – S 0481 are relevant for showing that "Euro branded guns are not inferior since these documents show that the two guns perform the same" is, as noted above, strictly the opinion of Defendant's counsel, as Defendant's purported expert did not rely upon the documents in question in formulating his opinions. This exhibit must be seen as inadmissible, as counsel's arguments cannot be acceptable as evidence.

**Defendant's NOR Ex. 5, Document Request 15:** Applicant's Document Request No. 15 is introduced in an attempt to support the assertion that Plaintiff does not label its spray guns as "Made in Europe", when they are in fact manufactured in Germany, and are in fact so labeled, as required by law. Defendant argues that its assertion somehow evidences what is asserted by Defendant in Request No. 12, namely that Defendant's EURO guns are not inferior to Plaintiff's guns. The Request in question seeks all documents relating to the country where various components of Plaintiff's paint spray guns are manufactured. Plaintiff responded that all of its

goods are manufactured in Germany, and all components of its goods are manufactured in Germany or other European countries.

Plaintiff objects to the admission of Ex. 5, Document Request No. 15 as it is an attempt by Defendant to use as evidence Opposer's Response to a Production Request. Responses to document requests are admissible only in those instances in which a party has stated that there are no responsive documents. *City National Bank v. OPGI Management GP, Inc.*, 106 USPQ2d 1668, 1674 n 10 (TTAB 2013).

**Defendant's NOR Ex. 5, Document Request 16:** Applicant's Document Request 16 is introduced in an attempt to assert that no confusion or deception exists as to the origin of Defendant's EURO branded spray guns. The Request calls for the production of all documents relating to each incident known to Plaintiff of actual confusion where a product sold under the EURO mark was believed to be from Europe. Plaintiff directed Defendant to its Response to Request No. 9, stating that it has no knowledge of the extent to which documentation exists relating to instances of actual confusion.

Plaintiff objects to the admission of Ex. 5, Request No. 16 based upon competence and relevance. Defendant has contorted Plaintiff's response that it lacked knowledge of such documentation into a claim that no such documentation exists. Perhaps such documents exist and are in the possession of the U.S. distributor of Plaintiff's products. Defendant's attempted use of this Response to a document request is not permissible per *City National Bank*, supra. Finally, even if Plaintiff had stated that no such documents exist, such a finding would still not support Defendant's assertion that no confusion or deception exists as to the origin of EURO branded spray guns.

**Defendant's NOR Ex. 7:** Defendant's Ex. 7 is offered with the intention of demonstrating that fake SATA spray guns are manufactured in Turkey, a European country. The exhibit depicts a timeline of noteworthy events in SATA's history. The timeline contains separate notations marking dates when SATA copy guns were produced in Taiwan and also in Turkey.

Plaintiff objects to the admission of Ex. 7 on grounds of hearsay and relevance. Insofar as Defendant appears to seek introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay. As stated in T.B.M.P. § 704.08, printed publications can be relevant only for "what they show on their face, not for the truth of the matters contained therein, unless a competent witness has testified to the truth of such matters." As no testimony has been offered as to the document identified as D. Ex. 7, it must be deemed inadmissible hearsay when used for Defendant's stated purpose.

Plaintiff also objects on the grounds of relevance. The conclusion reached by Defendant, namely that this exhibit is relevant for showing that "fake SATA spray guns are manufactured in Turkey, a European country", is completely irrelevant to the issues in these proceedings.

**Defendant's NOR Exhibit 9:** Defendant's Ex. 9 is comprised of the two page spray pattern comparison discussed above. Defendant alleges that this exhibit is relevant because counsel argues Plaintiff's and Defendant's guns performed similarly, and that the exhibit also highlights the importance of performance and technical specifications in purchasing decisions made in the industry.

Plaintiff objects to the admissibility of Ex. 9 based on competence. As noted above, the documents evidencing the spray pattern comparison, S 0480 and S 0481, were not among the "Materials Considered" by Defendant's alleged expert. The claim that Plaintiff's and

Defendant's guns have similar spray patterns is made by Defendant's attorney, who is incapable of rendering such a conclusion. Further, Defendant's argument that this spray pattern test demonstrates the importance of technical specifications within the industry is illogical and unproven. D. Ex. 9 is inadmissible.

**Defendant's NOR Exhibit 11:** Defendant's Ex. 11 constitutes three photos of packaging for Anest Iwata paint spray guns, used by Defendant in an attempt to demonstrate that the manufacture of spray guns and related equipment by Anest Iwata occurs in Japan and Taiwan. Defendant alleges that this is somehow relevant for establishing that a major manufacturer of spray guns "with a commanding market share in the United States manufactures its spray guns and equipment in Japan and Taiwan."

Plaintiff objects to the admission of Ex. 11 on the grounds of hearsay, competence and relevance. Insofar as Defendant appears to seek introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay. Although the photos comprising Ex. 11 depict boxes with the labeling "Made in Japan" and "Made in Taiwan", such statements cannot be accepted for their truth, and these documents cannot be admissible for proving that the manufacture of spray guns and equipment by Anest Iwata takes place in Taiwan and Japan.

Plaintiff is flummoxed as to how Ex. 11 is believed to support the claim made by Defendant that a major manufacturer of spray guns "with a commanding market share in the United States manufactures its spray guns and equipment in Japan and Taiwan." These documents have absolutely no relation to any claim evidencing whether Anest Iwata is a "major manufacturer", or whether it has "a commanding market share in the United States." These unsubstantiated claims have no logical correlation to the documents in question, rendering Ex. 11 inadmissible.

**Defendant's NOR Ex. 12:** Defendant alleges that Ex. 12 is advertising material for Anest Iwata which not only supposedly demonstrates the "technical details that a purchaser relies on for purchasing a spray gun", but also somehow evidences that the spray patterns of EURO and SATA guns are the same.

Plaintiff objects to the admission of Ex. 12 on grounds of relevance and competence. The document in question simply contains claims by Anest Iwata relating to various of its products, in addition to a table informing those interested in Anest Iwata paint spray guns which model of spray gun corresponds with which spray cup, in addition to other information such as PSI, fluid and weight. Any claim that this information supports a claim of similarities of the spray patterns between SATA and EURO guns is preposterous. Consequently, this exhibit must be deemed inadmissible.

**Defendant's NOR Ex. 13:** Defendant's Ex. 13 is a Wikipedia page on Europe, which includes an array of irrelevant information, such as a history of the middle ages in Europe, the Cold War economy, biodiversity, and political geography. Defendant asserts that this document is relevant for showing that Europe consists of approximately 50 countries, and that any preference a purchaser may have for "German Engineering" does not extend to the other 50 countries that make up Europe.

Plaintiff objects to Ex. 13 on grounds of hearsay, competence and relevance. Insofar as Defendant appears to seek introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay. By using Ex. 13 for the purpose of proving that Europe consists of approximately 50 countries, Defendant is asking that the Wikipedia submission be accepted for the truth of the matters stated therein, which is clearly hearsay.

Defendant's contention that Ex. 13 demonstrates that any alleged preference a purchaser may have for "German Engineering" does not extend to the other 50 European countries is baseless and without merit. The Wikipedia pages submitted as Ex. 13 do not even remotely address any sort of preference for goods of any type from any country. Ex. 13 is inadmissible for the stated proposition.

**Defendant's NOR Ex. 14:** Defendant's Ex. 14 is an online article from Forbes discussing electronics that are manufactured in Taiwan. Defendant asserts that this article is relevant for showing that Taiwan is known for manufacturing high quality products, and is no longer a "low-end manufacturer."

Plaintiff objects to Ex. 14 on grounds of hearsay and relevance. To the extent that Defendant claims Ex. 14 is relevant for the statement that Taiwan is no longer a "low-end manufacturer", it is attempting to seek introduction of this document for the truth of the matters stated therein, and is therefore inadmissible hearsay under T.B.M.P. § 704.08. Further, while the article addresses electronics manufactured in Taiwan, the current proceedings concern Defendant's Taiwanese goods, and the use of EURO marks in connection with those goods. This case is not a referendum on Asian goods in general, and thus this article lacks relevance.

**Defendant's NOR Ex. 15:** Defendant's Ex. 15 is an additional submission from Wikipedia, titled "Political Status of Taiwan." Defendant alleges that Ex. 15 is relevant to rebut the fact that Taiwan is a part of China.

Plaintiff objects to Ex. 15 on the grounds of hearsay and competence. As Defendant seeks introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay. Further, Plaintiff would not consider Wikipedia to be a persuasive and reliable source

in addressing the current and complicated political status of Taiwan, and how that issue is viewed by the U.S. government.

**Defendant's NOR Ex. 16:** Defendant's Ex. 16 is an internet printout from the European Commission providing information and facts about "the Euro". Defendant asserts that Ex. 16 is relevant for showing that the Euro is a unit of currency.

Plaintiff objects to Ex. 16 on grounds of hearsay and relevance. As Defendant seeks introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay under T.B.M.P. § 704.08. Additionally, Plaintiff notes that this submission addresses the Euro. While the article states that the Euro is a unit of currency used in Europe, it does not state that "Euro", when used solely and without a preceding "the", as Defendant uses the mark EURO on its goods, is how the unit of currency is termed.

**Defendant's NOR Ex. 17:** Defendant's Ex. 17 is an article on Taiwanese pneumatic tools, printed from the Internet. Defendant asserts that Ex. 17 is relevant for the statement that Taiwanese Pneumatic Tools have a "reputation for quality and competitive pricing, particularly among end-users in the U.S. and Europe."

Plaintiff objects to Ex. 17 on grounds of hearsay. Defendant has taken a direct quote from this online article and seeks to have it admitted for its truth. The statement "reputation for quality and competitive pricing, particularly among end-users in the U.S. and Europe" has been lifted directly from text appearing in the article. As noted in T.B.M.P. § 704.08, printed publications can be relevant only for "what they show on their face, not for the truth of the matters contained therein, unless a competent witness has testified to the truth of such matters."

**Defendant's NOR Ex. 18:** Defendant's Ex. 18 is a series of pictures depicting promotional SATA sunglasses that contain the designation "Taiwan." Defendant asserts that

these pictures of promotional sunglasses are relevant for showing that Plaintiff has no issue with manufacturing goods in Taiwan and associating its name with Taiwan, as well as labeling its Taiwanese made goods with CE.

Plaintiff objects to Ex. 18 on grounds of relevance. Evidence must be logically relevant to be admissible. Evidence is logically relevant when it tends to prove or disprove a material fact to the case. Even with a liberal interpretation of relevance, SATA sunglasses are in no way relevant to any issues surrounding Defendant's use of the EURO mark in connection with paint spray guns, and whether or not such use is geographically deceptive or primarily geographically deceptively misdescriptive under §§ 2(a) and 2(e)(3).

**Defendant's NOR Ex. 19:** Defendant's Ex. 19 is an email correspondence whereby a potential future distributor of MG Distributor guns proclaims that he likes the fact that EURO guns resemble SATA guns after receiving information in the mail from MG Distributor regarding EURO spray guns. Defendant asserts that this exhibit is relevant for showing the sophistication of the purchaser who is comparing the performance and price of EURO guns with SATA guns, and that the purchaser is not deceived as to the origin of EURO guns.

Plaintiff objects to the admissibility of Ex. 19 on grounds of competence. Defendant has completely misstated what is expressed in the email, and the conclusion reached by Defendant regarding the relevance of this exhibit is without merit. The potential distributor states that the EURO gun appears to be a mid price spray gun, and he states that the gun is particularly appealing because it resembles a SATA gun. There has been absolutely no sentiment regarding any comparison between price and performance of SATA and EURO paint spray guns. Defendant has proven no correlation between a general knowledge of paint spray gun prices and



any sort of sophistication. Further, there is no indication from the email that the potential distributor is not confused or deceived as to the origin of the EURO guns.

**Defendant's NOR Ex. 20:** Defendant's Ex. 20 is an email written by an individual commenting on his experience with EURO paint spray guns. Defendant asserts that this exhibit is relevant for demonstrating the sophistication of the purchaser of EURO paint spray guns, that the purchaser is in no way confused or deceived as to the origin of EURO guns, and that purchasers of paint spray guns test them with a sample before making a decision whether to buy the guns.

Plaintiff objects to the admissibility of Ex. 20 on grounds of competence. The assertions and conclusions reached by Defendant are not supported by the document. Nothing stated in the email is remotely relevant to the claim that there has been no confusion or deception. There is also no mention of any testing process with a sample used by the purchaser before deciding to buy the gun, as asserted by Defendant.

**Defendant's NOR Ex. 21:** Defendant's Ex. 21 is an online article discussing the performance of various paint spray guns. Defendant alleges that this exhibit is relevant for demonstrating the sophistication of a paint spray gun customer because of the preparation necessary before using a paint spray gun.

Plaintiff objects to the admission of Ex. 21 on grounds of relevance and competency. There is no indication from the online article that the individual conducting the paint spray gun comparison is a purchaser. Defendant has failed to prove any correlation between sophistication of a paint spray gun purchaser and steps necessary to prepare for using a paint spray gun. The article even lauds Plaintiff's guns, going so far as to claim SATA is the "crème de la crème" of the paint spray gun industry, and that SATA is among the "big dogs" in the paint spray gun

industry. As the exhibit in question fails to prove any of Defendant's assertions as specified in his NOR, this exhibit must be found inadmissible.

**Defendant's NOR Ex. 22:** Defendant's Ex. 22 is an online article addressing the decision made by French auto manufacturer Peugeot to withdraw from the U.S. market. Defendant alleges that this article is relevant for demonstrating that purchasers in America do not have a particular preference for European manufactured goods, and that American purchasers actually prefer American and Asian manufactured goods over European goods.

Plaintiff objects to the admission of Ex. 22 on grounds of hearsay and relevance. As Defendant seeks introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay. T.B.M.P. § 704.08.

In addition, evidence must be logically relevant to be admissible, and evidence is logically relevant when it tends to prove or disprove a material fact to the case. Even with a liberal interpretation of relevance, the submission by Defendant of an online article discussing the state of Peugeot's business in America falls substantially short of what could possibly be perceived as relevant. A discussion of Peugeot is far afield from the issues in these proceedings, namely Defendant's attempt to obtain and maintain federal trademark registrations for EURO marks for use in connection with Taiwanese paint spray guns. Ex. 22 is inadmissible.

**Defendant's NOR Ex. 23:** Defendant's Ex. 23 is an online article discussing whether the Yugo is the "worst car ever." Defendant alleges that this exhibit is relevant for evidencing that purchasers in the U.S. do not maintain a particular preference for European manufactured goods, and that there exists a difference in the quality of goods manufactured in one European country from another.

Plaintiff objects to the admission of Ex. 23 on grounds of hearsay and relevance. As Defendant seeks introduction of this document for the truth of the matters stated therein, it is inadmissible hearsay.

Evidence must be logically relevant to be admissible, and evidence is logically relevant when it tends to prove or disprove a material fact. An article debating whether the Yugo is the “worst car ever” is utterly irrelevant. The Yugo’s status as an undesirable vehicle has nothing to do with Defendant’s EURO marks. The issue presented in these proceedings is whether Defendant’s use of EURO marks for Taiwanese manufactured paint spray guns is geographically deceptive and primarily geographically deceptively misdescriptive under §§ 2(a) and 2(e)(3). Ex. 23 must be held inadmissible.

**Defendant’s NOR Ex. 24:** Defendant’s Ex. 24 is an article discussing a purported “leadership crisis” within Volkswagen. Defendant alleges that this exhibit is relevant for showing that purchasers in the United States do not have a particular preference for “German Engineering manufactured products.”

Plaintiff objects to the admission of Ex. 24 on grounds of competence and relevance. Despite Defendant’s claim regarding views expressed in this exhibit, when read the article actually states the opposite. The second page of this exhibit states that “thanks to its European origins and a close association to its corporate siblings, consumers in the U.S. see VW as a near luxury product.” The article continues, “this means buyers shopping for products like the brand’s Passat sedan approach the process differently than they would if they were shopping for a Honda Accord or a Toyota Camry. A Camry or Accord buyer may be willing to part with his money for a bare bones base model, but VW shoppers want a German luxury product at a discounted price, leading them to load up on optional goodies.” This language cannot be interpreted, as Defendant

has taken the liberty of doing, as evidencing that American purchasers do not have a particular preference for German engineering or manufacturing. This exhibit must be rendered inadmissible.

**Defendant's NOR Ex. 26:** Defendant's Ex. 26 consists of documents relied upon by Defendant's purported expert. Plaintiff objects to MGD000026 and MGD000027 on grounds of competence. Plaintiff notes that both MGD000026 and MGD000027 are Devilbiss advertisements not intended for United States purchasers, as evidenced by translations on the pages in a foreign language. As the Board is only concerned with the market amongst purchasers in the U.S., this exhibit must be found inadmissible.

**Defendant's NOR Ex. 27:** Defendant's Ex. 27 consists of portions of Opposer's Responses to Applicant's Second Set of Interrogatories. Plaintiff's answer to Interrogatory 28 is offered by Defendant in an attempt to prove that Plaintiff limits its labeling of products to Germany (and not Europe), despite allegedly stating in response to Document Request 15 that Plaintiff manufactures its spray guns in Germany or other European countries.

Plaintiff objects to the admission of Ex. 27 on grounds of competence. Defendant has once again misstated a response made by Plaintiff in order to draw a distorted and puzzling conclusion. The inconsistency Defendant attempts to point out simply does not exist. Plaintiff has at all times noted that its paint spray guns are manufactured in Germany. While Plaintiff stated in its Response to Document Request 15 that certain components to its guns are manufactured in other European countries, Plaintiff has stated in its response to Interrogatory 28 that its spray guns are labeled as made in Germany because they are, of course, manufactured in Germany. As Defendant's attempt to show an inconsistency has failed, this exhibit should be deemed inadmissible.

**Defendant's NOR Ex. 28:** Defendant's Ex. 28 consists of portions of Opposer's Responses to Applicant's First Request for the Production of Documents and Things. Plaintiff's Response to Request No. 23 is offered by Defendant in an attempt to prove that because (Defendant incorrectly asserts) there is no mention of Germany or Europe on Plaintiff's spray guns, the country of origin is not an important factor in making a purchasing decision.

Plaintiff objects to the admission of Ex. 28 on grounds of competence. Not only is the conclusion reached by Defendant as to the relevance of Ex. 28 completely without support, but in addition Defendant has sought to introduce a Response to a Document Request under circumstances not permitted under the rules, thus rendering this exhibit inadmissible. See *City National Bank v. OPGI Management GP, Inc., supra*.

**Defendant's NOR Ex. 33:** Defendant's Ex. 33 consists of an article discussing EPA regulations for auto body painting shops. Defendant alleges that this exhibit is relevant for demonstrating that the spray gun industry is highly regulated, and that consequently, the exhibit proves that the purchaser/user is sophisticated and makes purchasing decisions based on government regulation.

Plaintiff objects to the admission of Ex. 33 based on relevance and competence. EPA standards for shops within the auto body industry are entirely irrelevant to Defendant's use of the EURO mark, and whether use of EURO marks for Taiwanese manufactured paint spray guns is geographically deceptive and primarily geographically deceptively misdescriptive. Defendant has not proven any such correlation between sophistication and EPA regulations. Moreover, as the article addresses regulations that apply to auto body shops, Defendant has incorrectly asserted the article is relevant as to purchasers/users of paint spray guns. Exhibit 33 must be deemed inadmissible.

**Defendant's NOR Ex. 34:** Defendant's Ex. 34 consists of a website post whereby an individual fields questions about paint spray guns. Defendant alleges that this exhibit is relevant because it states that "HVLP spray guns can easily be out of compliance and that the painters must take special care not to turn up the atomizing air pressure too high." According to Defendant, this demonstrates that the spray gun industry is highly regulated, and that consequently users of paint spray guns have been proven to have "intimate knowledge" of their spray guns, and that they are thus unlikely to be deceived or confused as to the origin of a Taiwanese spray gun bearing a EURO mark.

Plaintiff objects to Ex. 34 on grounds of relevance and competence. The website posting does not in any way indicate that the paint spray gun industry is highly regulated. Even if the post did make such a contention, this would be completely irrelevant as to whether Defendant's use of the EURO mark for Taiwanese goods is geographically deceptive or primarily geographically deceptively misdescriptive. Further, the claims that this post evidences that users of spray guns have "intimate knowledge" of their spray guns, and that they are thus unlikely to be deceived or confused as to the origin of a spray gun, are completely without merit.

Respectfully submitted,

Hall & Vande Sande, LLC

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